

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

QUICK REFERENCE
COMMERCIAL PROPERTY COVERAGE PART
READ YOUR POLICY CAREFULLY

DECLARATIONS PAGE

Named Insured and Mailing Address
 Policy Period
 Business Description
 Description of Premises
 Coverages Provided, Limits of Insurance, Covered Causes of Loss and Coinsurance
 Optional Coverages
 Special Interests
 Deductible
 Forms Applicable

The following are some commonly used property coverage forms. Your policy may contain some or all of these forms. To tailor the policy to meet the needs of your business, it may also contain coverage forms which have not been listed below.

	Beginning On Page
BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10	
A. Coverage	1
B. Exclusions	7
C. Limits of Insurance	7
D. Deductible	7
E. Loss Conditions	8
F. Additional Conditions	10
G. Optional Coverages	12
H. Definitions	13
BUSINESS INCOME COVERAGE FORM – CP 00 30	
A. Coverage	1
B. Exclusions	3
C. Limits of Insurance	3
D. Loss Conditions	3
E. Additional Conditions	5
F. Optional Coverages	6
G. Definitions	7
LEGAL LIABILITY COVERAGE FORM – CP 00 40	
A. Coverage	1
B. Exclusions	2
C. Limits of Insurance	2
D. Loss Conditions	2
E. Additional Conditions	3
F. Definitions	3

EXTRA EXPENSE COVERAGE FORM – CP 00 50

A. Coverage	1
B. Exclusions	2
C. Limits of Insurance	2
D. Loss Conditions	2
E. Definitions	3

The following are Causes of Loss forms. The one that applies to your policy is listed on the Commercial Property Declarations.

CAUSES OF LOSS – BASIC FORM – CP 10 10

A. Covered Causes of Loss	Beginning On Page 1
B. Exclusions	2

CAUSES OF LOSS – BROAD FORM – CP 10 20

A. Covered Causes of loss	1
B. Exclusions	2
C. Additional Coverage – Collapse	5

CAUSES OF LOSS – SPECIAL FORM – CP 10 30

A. Covered Causes of Loss	1
B. Exclusions	1
C. Limitations	4
D. Additional Coverage – Collapse	6
E. Additional Coverage Extensions	7
F. Definitions	7

COMMERCIAL PROPERTY CONDITIONS – CP 00 90

- A. Concealment, Misrepresentation and Fraud
- B. Control of Property
- C. Insurance Under Two or More Coverages
- D. Legal Action Against Us
- E. Liberalization
- F. No Benefit to Bailee
- G. Other Insurance
- H. Policy Period, Coverage Territory
- I. Transfer of Rights of Recovery Against Others to Us

COMMON POLICY CONDITIONS – IL 00 17

- A. Cancellation
- B. Changes
- C. Examination of Your Books and Records
- D. Inspections and Surveys
- E. Premiums
- F. Transfer of Your Rights and Duties Under this Policy

ENDORSEMENTS (If Any)

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROADENED PROPERTY COVERAGE EXTENSION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME COVERAGE FORM
CAUSES OF LOSS — SPECIAL FORM

POLICY ADDITIONS

The following paragraphs are added to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

A. COVERAGE

5. Coverage Extensions

g. Money and Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, while at the described premises, or in transit between these places, or in the custody of a person you have authorized to have custody of the "money" or "securities," resulting directly from:
 - (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to the Limitations and Exclusions, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) All loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
 is considered one occurrence.
- (4) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (5) In the event of loss or damage we will determine the value as follows:
 - (a) "Money" at its face value; and

(b) "Securities" at their value at the close of business on the day the loss is discovered.

(6) "Money" means

(a) Currency, coins and bank notes in current use and having a face value; and

(b) Travelers checks, register checks and money orders held for sale to the public.

(7) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

(a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money."

(8) The most we will pay under this extension for loss in any one occurrence is \$5,000.

h. Accounts Receivable

You may extend the insurance that applies to Covered Property to cover the following loss and expenses which are the direct result of loss or damage by a Covered Cause of Loss to accounts receivable records:

(1) All sums due you from customers, provided you are unable to effect collection.

(2) Collection expenses in excess of normal collection costs made necessary because of loss or damage; or

(3) Other reasonable expenses incurred by you in re-establishing records of accounts receivable following such loss or damage.

The most we will pay under this Extension is \$25,000 at each described premises.

i. Extra Expense

We will pay necessary Extra Expense (other than the expense to repair or replace property) you incur during the "period of restoration," that you would not have incurred if there had been no direct physical loss or damage from a Covered Cause of Loss to property at the described premises, including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from a Covered Cause of Loss. Extra Expense means expense incurred:

- (1) To avoid or minimize the suspension of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) To minimize the suspension of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

We will not pay for:

- (1) Any Extra Expense caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract.
 - (2) Any other consequential loss.
- "Period of restoration" means the period of time that:
- (1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (2) Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain,

treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

"Operations" means your business activities occurring at the described premises.

The most we will pay for loss under this Additional Coverage is \$25,000 for each described premises.

j. Arson Rewards

You may extend the insurance provided by this Coverage Form to apply to rewards given to any person or persons, other than you, your officers, your employees or your active members, for information leading to an arson conviction in connection with a fire loss to the described premises.

The most we will pay under this Extension is \$5,000 per fire loss. This is the most we will pay regardless of the number of persons who provided information.

k. Water Damage

You may apply up to \$2,500 for each described premises to cover loss or damage caused directly or indirectly by water that backs up from a sewer or drain. Such loss or damage is excluded, however, if any other cause or event which is not a Covered Cause of Loss contributes concurrently or in a sequence. The most we will pay in any one policy period is \$15,000.

l. Fire Extinguishing System Re-charge

We will pay the cost to recharge your approved, industry standard fire extinguishing system if it discharges to fight a fire. We will also cover the cost to recharge the system if it accidentally discharges.

But we will not pay for any loss that occurs at the time of installation, repair or recharge of the system.

m. Fine Arts

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to your fine arts or fine arts of others in your care, custody or control. For the purpose of this extension fine arts means paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, porcelains and other bona fide works of art of rarity, historical value or artistic merit. This Extension is subject to the following:

- (1) Fine Arts does not include stained glass which is a part of the described premises;
- (2) The value of fine arts will be determined at market value at the time of loss or damage;

- (3) The most we will pay under this Extension is \$10,000 at each described premises.

In case of loss or damage to a pair or set, we will pay you the full value of the pair or set and you agree to surrender the remaining article(s) of the pair or set to us.

n. Spoilage Coverage

The most we will pay under this coverage extension is \$2,500.

- (1) This policy is extended to cover "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

"Perishable stock" is defined as personal property that is:

- (a) maintained under controlled conditions for its preservation; and
- (b) susceptible to loss or damage if the controlled conditions change.

- (2) For the purpose of this extension only, the Covered Cause of Loss is defined as:

- (a) Breakdown or Contamination, meaning:

- (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

- (2) Contamination by the refrigerant.

- (b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption or surge of electrical power, either on or off the described premises, due to conditions beyond your control.

- (3) For the purpose of this extension only, the following Exclusions are added:

We will not pay for loss or damage caused by or resulting from:

- (a) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (b) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (1) lack of fuel; or
 - (2) governmental order.
- (c) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

- (d) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

o. Cost of Taking Inventory

If a Covered Cause of Loss occurs to Covered Property, we will reimburse you for your expense to take inventories, obtain appraisals, and prepare a statement of "loss" and supporting documents to prove the amount of the "loss."

We will not pay for expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

The most we will pay under this Extension is \$2,500.

p. Utility Services – Direct Damage

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from the interruption in utility service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - a. Communication transmission lines, including optic fiber transmission lines;
 - b. Coaxial cables;
 - c. Microwave radio relays except satellites.

It does not include overhead transmission lines.

3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

It does not include overhead transmission lines.

POLICY CHANGES

The **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended as follows:

A. COVERAGE

4. Additional Coverages

- c. **Fire Department Service Charge** is deleted in its entirety and is replaced by the following.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period, is shown in the Declarations, you may extend this insurance as follows:

a. Newly Acquired or Constructed Property

- (1) If this policy covers Building, you may extend that insurance to apply to :

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(3) Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

- b. **Personal Effects and Property of Others** is deleted in its entirety and is replaced by the following:

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees.

The most we will pay for loss of or damage by a Covered Cause of Loss under this extension is \$10,000.

This extension does not apply to loss or damage by theft.

- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage by a Covered Cause of Loss under this extension is \$10,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

- c. **Valuable Papers and Records (Other than Electronic Data)** the last sentence is amended to read as follows:

The most we will pay under this Extension is \$25,000 at each described premises.

- d. **Property Off Premises** is deleted in its entirety and is replaced by the following:

d. Property Off-Premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property, while it is away from the described premises, if it is:

- (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
- (a) In or on a vehicle; or
 - (b) In the care, custody or control of your sales-persons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

The most we will pay for loss or damage by a Covered Cause of Loss under this Extension is \$25,000.

- e. **Outdoor Property** is deleted in its entirety and is replaced by the following:

e. Outdoor Property

You may extend the insurance provided by this Coverage form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion;
- (5) Aircraft or Vehicles;
- (6) Windstorm or Hail;
- (7) Smoke; or
- (8) Vandalism.

The most we will pay for loss or damage under this Extension is \$10,000 but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence regardless of the types or number of items lost or damaged in that occurrence.

- c. **LIMITS OF INSURANCE** — the second paragraph is deleted in its entirety and replaced by the following:

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

POLICY CHANGES

The **BUSINESS INCOME COVERAGE FORM** is amended as follows:

A. COVERAGE

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business Income Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 90 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

The **CAUSES OF LOSS — SPECIAL FORM** is amended as follows:

E. ADDITIONAL COVERAGE EXTENSIONS

Paragraph 1.c. is amended as follows:

1. Property In Transit

- c. The most we will pay for loss or damage under this Extension is \$25,000.

POLICY CHANGES

The **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, BUSINESS INCOME COVERAGE FORM and the CAUSES OF LOSS — SPECIAL FORM** are amended as follows:

Throughout the forms modified by this endorsement the words "within 100 feet" are replaced with "within 1,000 feet."

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT PROTECTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE PART
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

The following is added to the applicable Causes of Loss Form:

A. Additional Coverage – Equipment Breakdown

1. The term Covered Cause of Loss includes the Additional Coverage – Equipment Breakdown as described and limited below:

- a. This insurance is extended to apply to loss or damage caused by or resulting from an "accident" to "covered equipment."
- b. The following coverage extensions apply to loss or damage to Covered Property caused by or resulting from an "accident" to "covered equipment." These coverages do not provide additional amounts of insurance.

(1) Expediting Expenses

With respect to your damaged Covered Property, we will pay up to \$50,000, the reasonable extra cost to:

- (a) make temporary repairs; and
- (b) expedite permanent repairs or permanent replacement.

(2) Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional costs to clean up or dispose of such property.

Additional costs mean those beyond what would have been required had no "hazardous substance" been involved.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000.

(3) CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances. This means the additional cost to do the least expensive of the following:

- (a) Repair the damaged property and replace any lost CFC refrigerant;
- (b) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (c) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000.

(4) Utility Services

Any insurance provided for Business Income and Extra Expense is extended to apply to loss caused by or resulting from an "accident" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

c. CONDITIONS

(1) Suspension

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

(2) Jurisdictional Inspections

If any property that is "covered equipment" under this Additional Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

(3) Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

d. DEFINITIONS**(1) An "accident" means direct physical loss as follows:**

- (a)** mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (b)** artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (c)** explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (d)** loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (e)** loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If an initial "accident" causes other "accidents," all will be considered one "accident." All "accidents" that are the result of the same event will be considered one "accident."

(2) "Covered equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

(3) "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

(4) "Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.

2. EXCLUSIONS

As respects Equipment Breakdown coverage only, the Exclusions section of the Coverage Form or Causes of Loss form to which this endorsement is attached is deleted and replaced with the following exclusions. However, the exclusions for Earth Movement, Nuclear Hazard and War and Military Action do apply to this Additional Coverage.

a. We will not pay for loss or damage caused by or resulting from:

- (1)** Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions, but if loss or damage from an "accident" results, we will pay for that resulting loss or damage.
- (2)** The enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as provided under Hazardous Substances or CFC Refrigerants coverage, or any ordinance or law coverage provided elsewhere in the policy.
- (3)** Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether wind driven or not. However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out.
- (4)** Any of the following tests:
 - (a)** A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (b)** An insulation breakdown test of any type of electrical equipment.
- (5)** Any defect, virus, loss of data or other situation within "media." But if loss or damage from an "accident" results, we will pay for that resulting loss or damage.
- (6)** Change in temperature or humidity, whether or not resulting from an "accident," except as provided under Additional Coverage- Spoilage.
- (7)** Contamination by a refrigerant resulting from an "accident," except as provided under Additional Coverage- Spoilage.

- (8) An "accident" to any "covered equipment" located at any location where electrical power, except emergency power, is generated.
- (9) Any of the following causes of loss if this coverage part is endorsed to exclude that cause of loss:
 - (a) Windstorm or hail
 - (b) Vandalism
 - (c) Sprinkler leakage
- b. The following is not "covered equipment":
 - (1) structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) insulating or refractory material;
 - (3) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel;
 - (6) dragline, excavation or construction equipment;
 - (7) equipment manufactured by you for sale; or
 - (8) electronic data processing equipment, unless used to control or operate "covered equipment." Electronic data processing equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment, except as provided under Additional Coverage-Computer Equipment.
- c. With respect to Utility Services coverage, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.
- d. With respect to Utility Services coverage and, if shown as covered, Business Income and Extra Expense coverages, we will also not pay for delay in resuming operations due to the need to reconstruct or reinput data or programs on "media."

The most we will pay for loss or damage under this Additional Coverage is the applicable Limit of Insurance shown in the Schedule or Coverage Form. Coverage provided under this Additional Coverage does not provide an additional amount of insurance.

B. Additional Coverage – Spoilage

The Coverage Form to which this endorsement applies is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to this Additional Coverage.

- 1. As respects this Spoilage Coverage only, Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.
- 2. The following is added to PROPERTY NOT COVERED:

Property located:

 - (a) On buildings;
 - (b) In the open; or
 - (c) In vehicles.
- 3. As respects this Spoilage Coverage only, Covered Causes of Loss means:
 - a. Breakdown or Contamination, meaning:
 - (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
 - (2) Contamination by the refrigerant.
 - b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

4. VALUATION

If you are unable to replace the "perishable stock" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable stock," as if no loss or damage had occurred, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

- 5. The Coverage Extensions in the applicable Coverage Form or Causes of Loss form do not apply to this Additional Coverage.

6. EXCLUSIONS

As respects this Spoilage Coverage only, the Exclusions section of the Coverage Form or Causes of Loss form to which this endorsement is attached is deleted and replaced with the following exclusions. However, the exclusions for Earth Movement, Governmental Action, Nuclear Hazard, War and Military Action and Water do apply to this Additional Coverage.

- a. We will not pay for loss or damage caused by or resulting from:
 - (1) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
 - (2) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
 - (3) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (a) Lack of fuel; or
 - (b) Governmental order.
 - (4) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
 - (5) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- 7. The Optional Coverages in the applicable Coverage Form or Causes of Loss form do not apply to this Additional Coverage.
- 8. The following is added to the DEFINITIONS:
 - a. "Perishable Stock" means personal property:
 - (1) Maintained under controlled conditions for its preservation; and
 - (2) Susceptible to loss or damage if the controlled conditions change.

- 9. The most we will pay for loss or damage under this Additional Coverage is \$50,000.
- 10. This Additional Coverage supersedes any other Spoilage coverage found in the policy.

C. Additional Coverage – Computer Equipment

- 1. The Coverage Form to which this endorsement applies is extended to insure against loss or damage caused by or resulting from an "accident" to "computer equipment."
- 2. The following is added to the DEFINITIONS:
 - a. "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.
 - b. "Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.
- 3. The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000.
- 4. Computers used primarily to control or operate "covered equipment" are not subject to this limit.
- 5. If ELECTRONIC DATA PROCESSING COVERAGE, Form CM7221 applies, this Additional Coverage does not apply.

COMMERCIAL PROPERTY

**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
ADVISORY NOTICE TO POLICYHOLDERS**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

Exclusion Of Loss Due To Virus Or Bacteria Endorsement CP0175(7-06)

(Applicable in Alaska, District of Columbia, Louisiana and New York only)

Exclusion Of Loss Due To Virus Or Bacteria Endorsement CP0140(7-06)

(Applicable in all other states)

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENTATIVE RATE

The rates used in the development of the premium for the Commercial Property Coverage Part are tentative. We will adjust the premium effective from the inception date of this Coverage Part once the rates are promulgated. If this is a renewal of a policy previously issued by us, we will adjust the premium effective from the renewal date of this Coverage Part once the rates are promulgated.

IL 01 19 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISSISSIPPI CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A. When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The **Legal Action Against Us** Condition, in the Commercial Property Conditions, the Standard Property Policy and the Capital Assets Program Coverage Form (Output Policy) is replaced by the following:

LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

 - 1. There has been full compliance with all of the terms of this Coverage Part; and
 - 2. The action is brought within 3 years after the date on which the direct physical loss or damage occurred.
- C. Under the Commercial Property Coverage Part, Paragraph a. of the **Legal Action Against Us** Condition in the **Mortgageholders Errors And Omissions** Coverage Form is replaced by the following:
 - a. No one may bring a legal action against us under Coverages **A** and **B** unless:
 - (1) There has been full compliance with all of the terms of Coverages **A** and **B**; and
 - (2) The action is brought within 3 years after you discover the error or accidental omission.
- D. The **Legal Action Against Us** Condition in the Commercial Inland Marine Conditions is replaced by the following:

LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

 - 1. There has been full compliance with all the terms of this Coverage Part; and
 - 2. The action is brought within 3 years after you first have knowledge of the direct loss or damage.

IL 02 82 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISSISSIPPI CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

- A.** The following Condition is added and supersedes any provision to the contrary:

NONRENEWAL

- 1.** If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured at least:
 - a.** 10 days before the effective date of nonrenewal, if the nonrenewal is due to nonpayment of premium; or
 - b.** 30 days before an anniversary date or the expiration date of the policy, if the nonrenewal is for any other reason.

- 2.** The notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

- B.** Paragraph **f.** of the **Mortgageholders** Condition, if any, is replaced by the following:

- f.** If we cancel this policy, we will give written notice to the mortgageholder at least 30 days before the effective date of cancellation.

POLICY NUMBER:

INTERLINE
IL 04 15 04 98**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****PROTECTIVE SAFEGUARDS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART**SCHEDULE***

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
Describe any "P-9":		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
 General Conditions in the
 Farm Property – Other Farm
 Provisions Form – Additional Coverages,
 Conditions, Definitions
 General Conditions in the Mobile Agricultural
 Machinery and Equipment Coverage Form
 General Conditions in the Livestock Coverage
 Form

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
 - (1) Sprinklers and discharge nozzles;
 - (2) Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- a. Connected to a central station; or
- b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.**"P-9"** The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM
PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

IL 09 52 11 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYEE THEFT AND FORGERY POLICY
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

AUTOMATIC TERMINATION ENDORSEMENT

The billing statement for this policy has been sent directly to you for payment. Failure to pay the required premium amount by the due date means that you have not accepted our offer of coverage and this policy will cease as of the effective date.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including micro-processors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system;
 - (6) Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Boiler And Machinery Coverage Part, the Commercial Crime Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss," or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form or the Covered Cause of Loss Section; or
 - b.** In a Covered Cause of Loss under the Causes of Loss – Basic Form or the Causes Of Loss – Broad Form;
 we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss," elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.